



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF MUNICIPAL AUDIT**

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March 18, 2004

Director of Schools and Members of the
Board of Education
Rutherford County School System
2240 South Park Boulevard
Murfreesboro, TN 37128

Director of Schools and Board Members:

As requested by Assistant Superintendent Jeff Sandvig, we have completed our investigative audit of the records of the cafeteria fund of John Coleman School, Rutherford County School System. This examination focused on the period July 1, 2001, through December 31, 2002. However, this scope was expended if the examination warranted.

Prior to Mr. Sandvig's request, a former cafeteria manager was suspended and later resigned after she admitted that she wrote two checks payable to herself in July 2002. Those two checks totaled \$427.28. The former cafeteria manager attempted to conceal the theft by having the original bank statement, which included the canceled checks, sent to her house instead of the school. In addition, she faxed an altered copy of the bank statement to the food service bookkeeper at the board. This matter was referred to the local district attorney general. On February 4, 2004, Ms. Leslie Curlee, former cafeteria manager, was indicted on one count of official misconduct.

Our examination revealed the following:

- Per review of meal counts, all meals were not recorded and as a result we could not determine if all money collected was deposited. To help ensure all meals are recorded, board personnel should review monthly reports to identify any unreasonable meal counts or missing meal counts for days school is in session. Any unreasonable or missing counts should be investigated.

- During our period, more a la carte items were purchased than sold according to cafeteria records. In addition, expected a la carte collections for the period August 2001 through June 2002 were at least \$4,200 short of actual collections. We were unable to determine the reason for this discrepancy. To help ensure accountability, the cafeteria manager should maintain complete and accurate records of all uses of a la carte inventory. In addition, board personnel should periodically determine if all expected collections are received. Any variances in expected collections should be investigated.
- For most days, the amount deposited did not agree with the amount posted as collected for the day. Differences ranged from \$213.34 more deposited than posted to \$125.20 less deposited than posted. Food service personnel were unable to determine a reason for these discrepancies.

Food service personnel should determine possible reasons for discrepancies between amounts posted as collected and amounts deposited. Monthly cashier reports showing the difference between the amount deposited and the amount posted should be reviewed by board personnel. Unusual variances, including large differences, should be investigated.

- On many occasions, food sales were not entered in the computer system by the former cafeteria manager at the time the transactions happened. Board personnel should reiterate that food sales should be recorded at the time of the sale. We recommend that board personnel periodically visit school cafeterias unannounced to help ensure this requirement is enforced.
- The former cafeteria manager made several adjustments to increase students' account balances with no corresponding collection or any other explanation. To help ensure all adjustments are proper, monthly adjustment reports should be reviewed by board personnel. Any unexplained adjustments should be investigated.

If you have any questions concerning the above, please contact me.

Sincerely,

Dennis F. Dycus, CPA, CFE, Director
Division of Municipal Audit